A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 63 - No. 7 JULY 1985

PAPER AND PAPERBOARD PRODUCTION: TREND FLAT

Production of paper and paperboard in June, 1985 held close to its May rate, with a small increase in paper output offset by a slight decline in paperboard.

Paper production has drifted down during the first six months of the year, with the average rate of production (seasonally adjusted) in the second quarter about 2.6% below the first quarter average. Actually, paper production has been following a basically flat trend since the beginning of 1984. The seasonally adjusted rate of production in the first half of 1985 was only 1.2% below the comparable 1984 rate. The additional 0.7% decline in the actual production totals between the first half of 1984 and the first half of 1985 reflected the added output gained in the first half of 1984 because of leap year. (See Table on Page 3.)

Paperboard production followed a somewhat different pattern. The seasonally adjusted total in the first half of 1985 was 3.9% below the comparable year-ago figure; the unadjusted total was down 4.6%. A break came in the paperboard trend in April 1985, when the seasonally adjusted rate of production fell 8.5% below the first quarter average. Shut downs, concentrated largely in the containerboard and recycled paperboard mills, permitted a run off of excess inventories. Production turned upward in May, with weekly production data showing only small changes during May and June.

Paper: The modest decline in the production of all paper grades in the first half of the year masked large differences in the trends of the individual grades. Total printing and writing paper production in the first half of the year held close to its year ago level, while newsprint production showed a 2.2% decline. Tissue paper production rose by 1.6%; packaging and industrial grades showed a 9.5% decline (see table on page 3 and yellow industry fact sheet).

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Newsprint: The consumption of newsprint by newspaper publishers in the first half of 1985 ran at an average rate of 12.6 million tons per year, about 1% above the year ago rate. Domestic production of newsprint, as noted above, was down by 2.2%; the increase in demand was met by imports. The data from the Bureau of Census show that imports of newsprint in the first five months of 1985 were at an annual rate of 8.6 million tons, 15% over the comparable 1984 period. Domestic newsprint mills in the U.S. operated at 95% of the available capacity in the first half of this year.

Groundwood Papers: Shipments of groundwood paper in the first half of 1985 were 8.1% below the comparable year ago level, by far the largest decline in production in the white paper grades. Imports of these grades in the first five months of 1985 were at an annual rate of 1.1 million tons, 9.3% above the year earlier total; equivalent to 43% of the total new supply. The weakness in demand in domestic production of these papers reflected declines in shipments to "other periodical" publishers, commercial printers and paper converters. The largest market for uncoated ground paper is "other periodical" publishers with catalogs and directories the largest end products.

Coated papers: The demand for coated papers experienced the steepest up-trend in the paper industry during the past four years. However, domestic production appears to have topped out with the shipments in the first half this year 2% below their year-ago level. Data through May 1985 indicate that shipments to magazine, other periodical and book publishers were above their respective year-ago levels, while shipments to commercial printers and label and wrap manufacturers showed small declines.

Imports of coated papers rose 85% (see table on page 9), while exports declined 13%, bringing new supply 2% above its year-ago rate. So far this year imports of coated papers have accounted for nearly 9% of the total new supply, compared to 6.5% for all of 1984.

Uncoated Free Sheet Paper: By way of contrast to the trend of groundwood and coated papers, shipments of uncoated free sheet papers in the first half were 2.5% above those of the first half of 1984. New orders were higher - about 7% above their year-ago total. However, the unfilled order backlog as of the end of June 1985 was more than 25% below the year-earlier level.

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

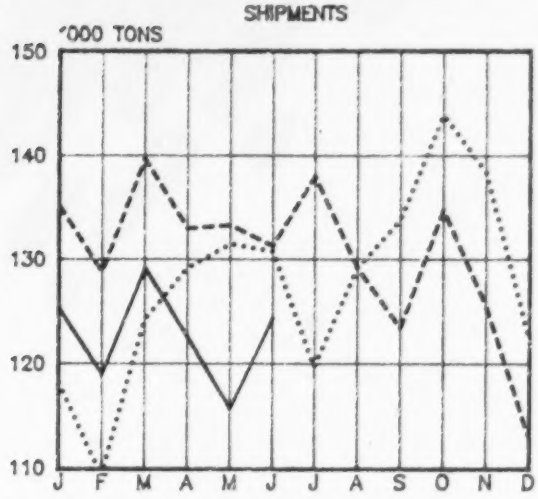
	YEAR 1983	YEAR 1984	MAR. 1985	APR. 1985	MAY 1985	JUNE 1985	Annual Rate Y-T-D 1985	% Change From same Period Last Year
PAPER								
Newsprint - Production	5167	5539	489	427	461	449	5483	-2.2
- Shipments	5153	5584	477	450	452	448	5457	-4.4
Printing & Writing sum	17370	18403	1618	1584	1548	1486	18611	-0.4
Groundwood Paper - Shipments	1531	1565	129	123	116	124	1472	-8.1
- New Orders	1581	1601	118	112	119	153	1485	-8.2
-Unfilled Orders	145	164	132	115	121	148	148	-6.2
Coated Papers - Shipments	5716	6249	540	516	496	468	6163	-2.0
- New Orders	5864	6292	472	508	499	498	5894	-6.0
- Unfilled Orders	513	586	459	461	421	442	442	-18.9
Unctd Free Sheet - Shipments	8780	9207	830	832	823	782	9626	2.5
- New Orders	9076	8939	865	853	824	763	9691	6.9
- Unfilled Orders	687	430	457	485	491	469	469	-25.7
Thin Papers - Shipments	280	275	26	23	24	25	288	0.0
Cotton Fiber Paper - Shipments	133	147	13	12	13	12	144	-5.0
Bleached Bristols - Production	931	959	80	78	77	75	918	-5.5
Tissue Paper - Production	4789	4920	428	394	419	418	4934	1.6
Total Packaging & Other Paper	5497	5555	455	406	444	418	5224	-9.5
Unbl. Kraft Paper - Shipments	3666	3666	295	258	290	267	3411	-9.6
Other Paper - Production	1832	1889	160	148	154	151	1813	-9.2
TOTAL PAPER-Production-Unadj. *	32823	34417	2990	2811	2872	2771	34251	-1.9
-Production-S.A. *			2849	2778	2787	2831	34024	-1.2
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	24779	26403	2283	2036	2178	2070	25443	-4.9
Unbl. Kraft Linerboard (1)	15001	16037	1403	1196	1316	1211	15274	-6.0
Production for Export	2281	2086	141	142	149	157	1669	-24.5
Other Unbl. Kraft Paperboard	1121	1149	103	88	102	115	1175	-1.7
Semichemical Paperboard	4731	5169	430	411	431	419	5017	-3.5
Production for Export	193	149	11	14	12	15	158	9.0
Solid Bleached Paperboard	3926	4048	348	341	328	325	3976	-3.0
Production for Export	515	478	40	43	41	40	469	-6.1
Recycled Paperboard	7398	7637	670	572	708	646	7698	-3.7
Production for Export	24	17	1	1	1	1	14	17.5
TOTAL PAPERBOARD Prod.-Unadj. *	32177	34039	2953	2609	2886	2716	33141	-4.6
- Containerboard Prod.(Dom. Use)	19173	20993	1858	1604	1748	1620	20404	-3.6
- Boxboard Prod.(Dom. Use) (2)	5551	5783	505	491	462	470	5763	-1.5
- All Other P'bd Prod.(D.U.) (2)	4441	4531	397	313	473	412	4664	-4.0
- Total Paperbd Prod.,for Export	3012	2731	194	200	203	214	2310	-19.4
TOTAL PAPERBOARD PROD.- S.A. *			2782	2558	2736	2687	32613	-3.9
TOTAL PAPER AND PAPERBOARD								
Production - actual *	65000	68457	5943	5420	5757	5487	67392	-3.3
Production - S.A. *			5631	5336	5524	5518	66637	-2.6

(1) Includes all exports of kraft paperboard.
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.
* NOTE: Year 1984 contains one more day than year 1983.

P Preliminary
R Revised
S.A. Seasonally Adjusted

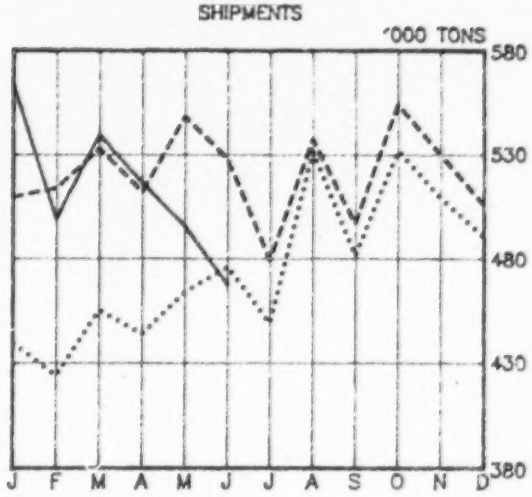
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



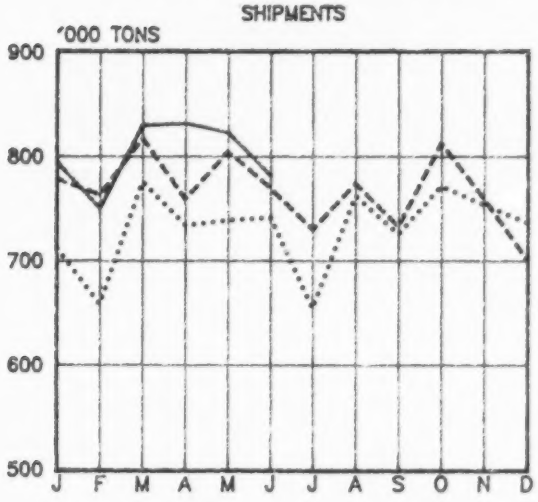
COATED PAPER

SHIPMENTS



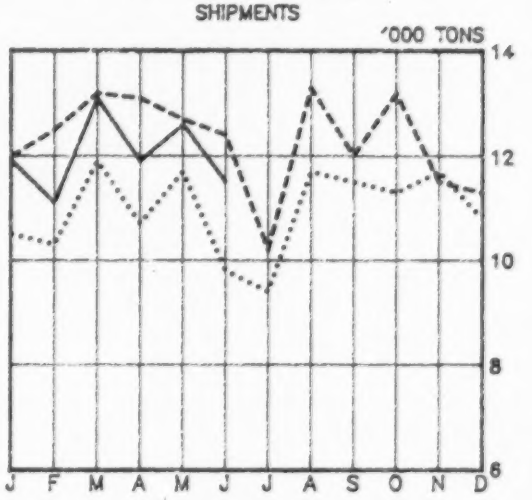
UNCOATED FREE SHEET PAPERS

SHIPMENTS



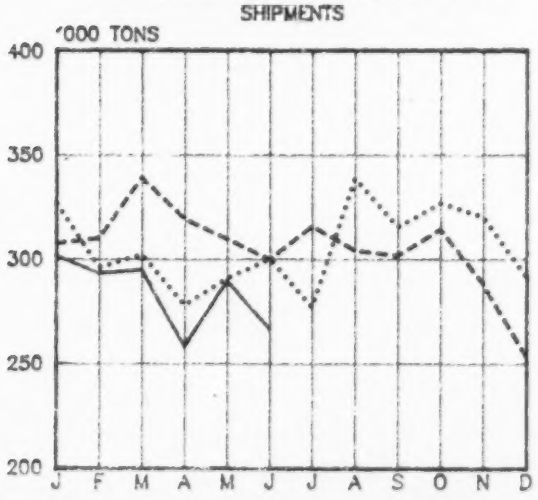
COTTON FIBER PAPER

SHIPMENTS



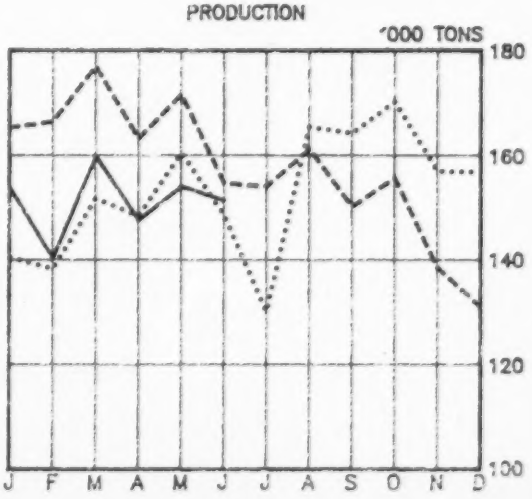
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1983 ····· 1984 - - - - - 1985 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1983	YEAR 1984	FEB 1985	MAR 1985	APR 1985	MAY 1985	Annual Rate Y-T-D 1985	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	52537	55548	4373	4841	4391	4532	54546	-2.6
- Imports	4093	4490	380	460	335	380	4483	2.5
- Exports	3644	3594	223	399	328	317	3759	2.0
- New Supply	52986	56445	4531	4902	4398	4595	55270	-2.5
Dissolving Pulp - Production	1261	1206	118	118	104	112	1292	0.7
- Imports	192	161	22	21	7	13	166	-3.8
- Exports	647	595	39	89	59	46	688	8.7
- New Supply	806	772	101	50	52	79	770	-6.5
Paper Grades - Production	42358	44732	3502	3893	3506	3625	43793	-2.7
Chemical Pulp - Imports	3706	4023	333	416	324	339	4109	4.2
- Exports	2958	2945	179	306	267	262	3022	0.5
- New Supply	43106	45810	3656	4003	3562	3703	44880	-2.3
Groundwood and - Production	5067	5509	429	481	448	443	5391	-3.1
Thermo-Mech. - Imports	195	306	26	23	4	27	209	-20.2
- Exports	40	54	5	4	1	9	49	4.4
- New Supply	5222	5762	450	500	452	462	5550	-3.9
Semi-Chemical - Production	3851	4100	325	349	333	352	4069	-2.2
- Imports								
- Exports			- - - - -		Included in Groundwood Pulp		- - - - -	
- New Supply	3851	4100	325	349	333	352	4069	-2.2
MARKET WOOD PULP								
Total Market - Production	6478	6891	588	610	563	539	6910	1.2
Wood Pulp - Imports	2945	3256	232	263	195	258	2879	-9.9
- Exports	3421	3511	301	364	333	351	3772	4.2
- New Supply	6002	6635	519	509	425	446	6017	-6.1
Dissolving Pulp - Production	1260	1197	118	118	104	112	1292	0.7
- Imports	210	204	21	22	8	16	182	-16.7
- Exports	698	690	64	75	58	70	706	-3.9
- New Supply	772	710	75	65	54	58	769	0.1
Paper Grades - Production	5206	5680	469	491	457	427	5607	1.3
Chemical Pulp - Imports	2698	2952	209	238	186	223	2623	-9.8
- Exports	2723	2821	237	289	275	281	3067	6.2
- New Supply	5181	5812	442	439	368	368	5164	-7.1
Groundwood Pulp - Production	12	13	1	1	1	0	12	-9.4
and All Other - Imports	38	100	2	3	1	20	73	7.2
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	49	113	3	5	2	20	85	4.9

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

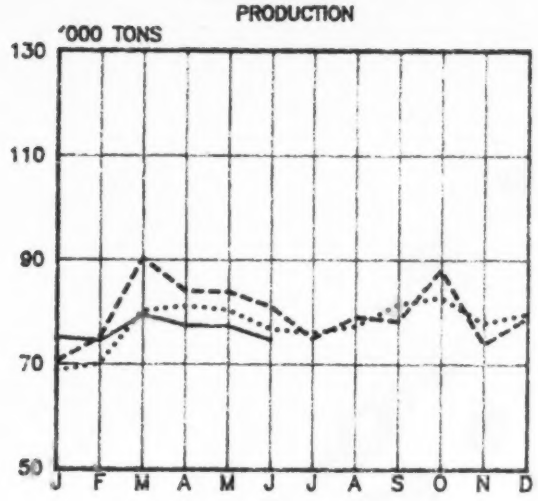
FIBROUS RAW MATERIALS
(Thousands of tons)

					R	P		
CONSUMPTION AT PAPER & PAPERBOARD MILLS								
Total	66130	70679	5444	6138	5584	5699	68838	-3.8
Total Wood Pulp	51434	54664	4266	4778	4339	4491	53606	-2.9
Waste Paper	14696	16015	1179	1360	1245	1208	15232	-6.7
INVENTORIES								
Own Use Wood Pulp at Pulp Mills	170	174	172	191	165	174	174	17.4
Mkt Pulp at Pulp Mills (Paper Grades	384	585	695	685	636	558	558	69.9
Mkt Pulp at Ppr. & Bd. Mills *	550	484	482	484	484	449	449	-28.5
Waste Paper at Paper &Bd. Mills	920	1025	1003	977	994	970	970	8.1
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	26	50	48	46	36	34	34	61.9

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

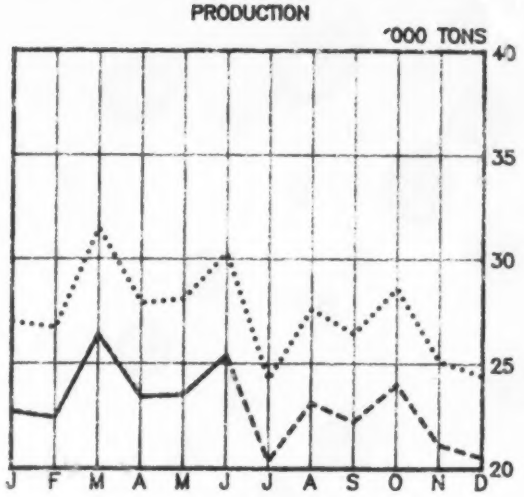
BLEACHED BRISTOLS

PRODUCTION



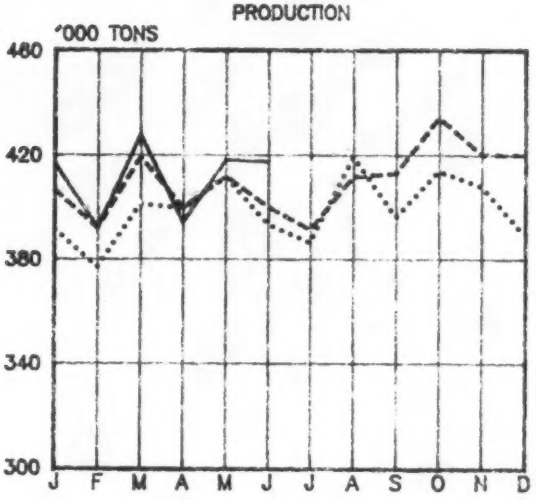
THIN PAPER

PRODUCTION



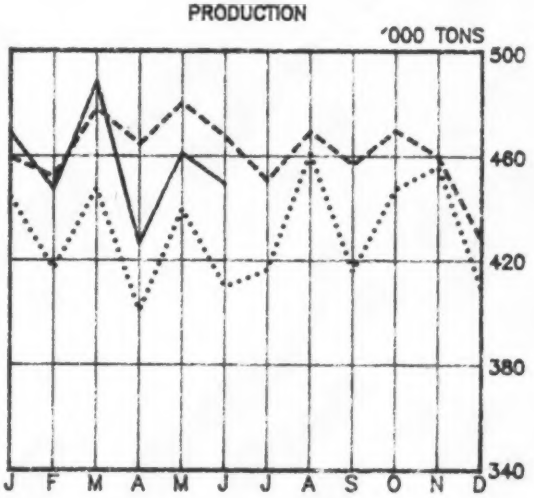
TISSUE PAPER

PRODUCTION



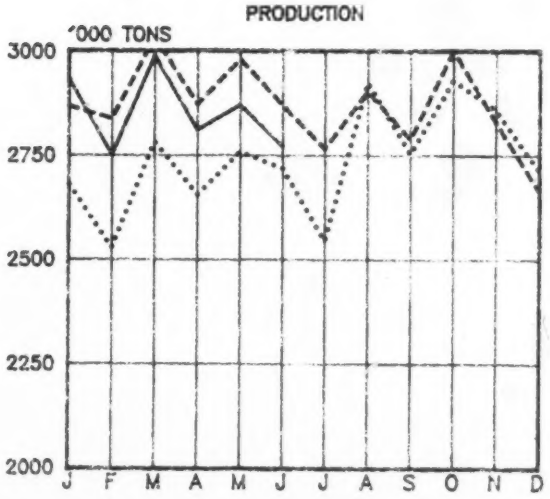
NEWSPRINT

PRODUCTION



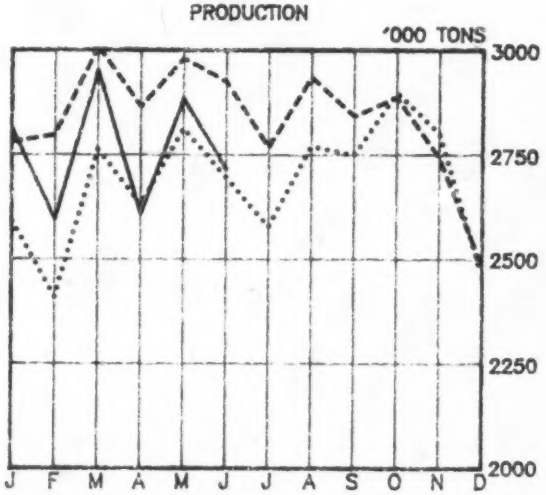
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1983 ····· 1984 - - - - 1985 ——

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1983	YEAR 1984	FEB. 1985	MAR. 1985	APR. 1985	MAY 1985	Annual Rate Y-T-D 1985	% Change from same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	84475	88876	7068	7483	7009	6958	86398	-2.5
	- Total Consumpt	85442	87646	6981	7651	7148	7072	87036	-1.8
	- Residues *	32755	32072	2407	2654	2659	2592	30569	-7.8
	- Inventories	5229	5574	5453	5256	5136	4952	4952	3.6
So. Atlantic	- Total Receipts	25736	27654	2312	2396	2239	2178	27550	6.3
	- Total Consumpt	25847	27344	2270	2507	2284	2203	27814	6.4
	- Residues *	7904	8198	710	692	623	624	7865	-2.6
	- Inventories	1163	1444	1450	1312	1296	1195	1195	15.7
Northeast	- Total Receipts	7051	7665	671	657	542	561	7579	0.2
	- Total Consumpt	7274	7474	628	680	685	600	7860	0.1
	- Residues *	1199	1501	121	144	142	142	1613	14.9
	- Inventories	577	590	664	640	490	442	442	7.8
South Central	- Total Receipts	29409	30693	2353	2741	2556	2504	30377	-0.2
	- Total Consumpt	29152	30502	2439	2699	2435	2505	30358	0.1
	- Residues *	9218	9059	749	804	820	790	9384	4.8
	- Inventories	1536	1304	1022	1063	1170	1200	1200	-13.1
North Central	- Total Receipts	6265	6872	596	487	392	503	6420	-9.0
	- Total Consumpt	6343	6563	500	543	524	551	6425	-6.7
	- Residues *	1822	1472	102	120	108	112	1363	-10.6
	- Inventories	851	906	1064	1019	879	833	833	-0.4
West	- Total Receipts	16014	15992	1136	1202	1290	1212	14472	-17.2
	- Total Consumpt	16826	15763	1144	1222	1220	1213	14580	-16.2
	- Residues *	12612	11842	725	894	966	924	10344	-21.7
	- Inventories	1102	1330	1253	1222	1301	1282	1282	14.3

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 19-Jul-85

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

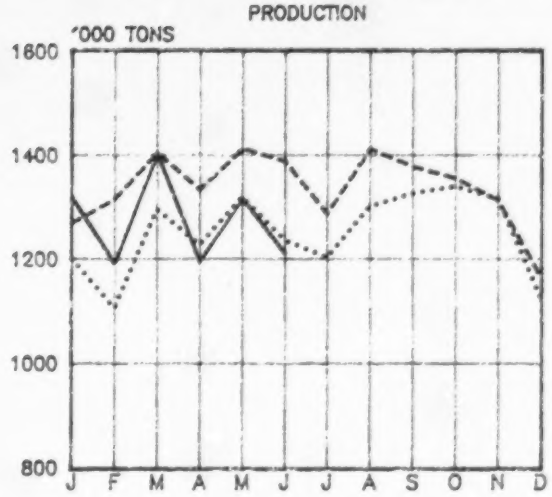
	YEAR 1984 Tons	YEAR 1984 $000's	APR. 1985 Tons	APR. 1985 $000's	MAY 1985 Tons	MAY 1985 $000's	Annual Rate Y-T-D 1985	% Change from same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	207520	10591	2056	170	41	2	41551	-74.6
Pulpwood chips	2061270	45353	60270	1869	76789	2417	944873	-64.7
Wood Pulp, Total	4059913	1678908	322562	112806	307495	104921	4056494	1.8
Waste Fibrous Materials, Total	151957	25187	15023	3024	14320	2765	165708	3.9
Paper, Board & Products, Total	9401285	4048656	841606	371465	822126	361824	9810108	11.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9330954	3927255	835507	360790	815677	352265	9735770	11.1
Paper, Paperboard & Products	8948073	3946084	807971	363656	782469	352263	9423173	11.8
Paper & Paperboard, Only	8877742	3824684	801873	352981	776220	342704	9348835	11.8
Paper, Total	8662094	3762205	789416	349392	762940	338900	9197510	13.3
Newsprint	7681341	3224596	712854	308063	683507	296415	8243635	13.8
Printing, Writing & Rel. Pap.	852879	457438	62650	33176	66943	35276	791052	6.3
Pack. & Ind. Conv. Paper	101131	59408	9671	5291	9005	4821	111688	5.2
Special Industrial Paper	3232	5437	278	321	144	262	3109	-0.8
Tissue Paper	23512	15326	3963	2541	3342	2127	48026	209.6
Paperboard, Total	215648	62479	12457	3590	13279	3804	151326	-38.6
Convtd Paper&Paperbd Products	70331	121401	6099	10675	6449	9559	74338	13.0
Wet Machine Board	2098	1426	160	111	238	153	1963	-26.7
Construction Paper & Board	451113	101146	33475	7698	39219	9409	384971	-3.3

Pulpwood, Roundwood (in cords of 128 cubic feet)	95117	5698	5694	356	6207	377	38810	-30.3
Pulpwood chips	28445	1544	18932	1012	6199	301	85968	120.2
Wood Pulp, Total	180850	82653	12523	5326	11349	4979	199690	12.3
Cotton Pulp & Other Pulp	10474	6605	379	222	547	372	11592	-0.4
Waste Paper	325712	37937	18144	1954	10595	1620	214860	-35.2
Paper, Board & Products, Total	756499	524570	65585	44164	67299	44586	753866	-7.5
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	569696	358082	52206	30761	53884	30729	590143	-0.5
Paper, Paperboard & Products	726888	511454	63613	43292	65474	43552	729280	-6.9
Paper & Paperboard, Only	540085	344966	50234	29989	52059	29695	565557	0.8
Paper, Total	296791	245610	25132	21375	25972	19698	309492	-6.3
Newsprint	4493	3678	405	352	364	352	3726	-37.7
Printing, Writing & Rel. Pap.	137839	125802	14739	12729	12917	10528	159147	9.4
Pack. & Ind. Conv. Paper	46661	26918	2793	2046	3603	1981	47729	-5.3
Special Industrial Paper	104039	85328	6986	5946	8910	6539	96312	-23.3
Tissue Paper	3758	3883	209	302	178	297	2578	-10.8
Paperboard, Total	243294	99357	25102	8514	26087	9997	256065	11.0
Convtd Paper&Paperbd Products	186803	166488	13379	13403	13415	13857	163723	-26.3
Wet Machine Board	5312	3707	400	315	475	434	5122	-8.7
Construction Paper & Board	24299	9409	1572	557	1350	600	19464	-26.4

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 19-Jul-85

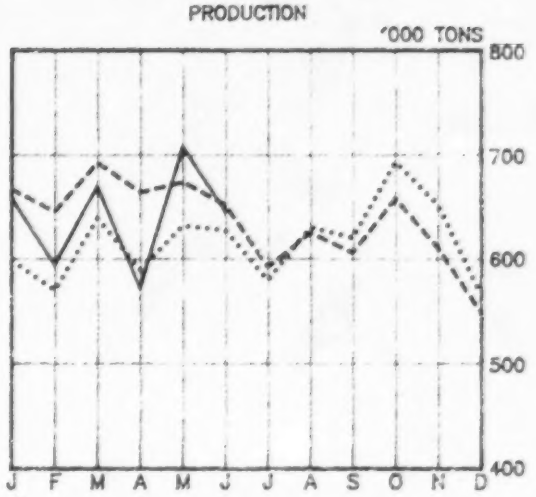
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



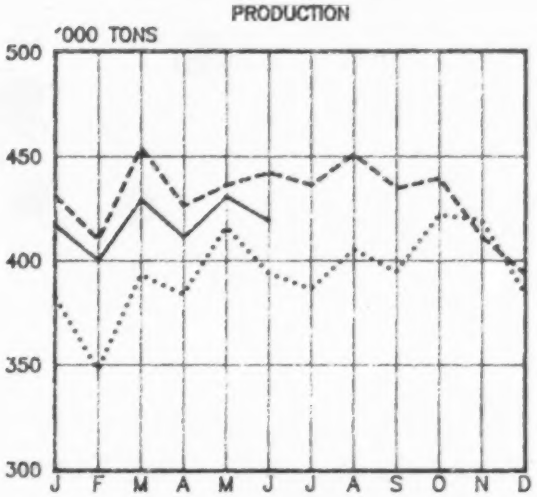
RECYCLED PAPERBOARD

PRODUCTION



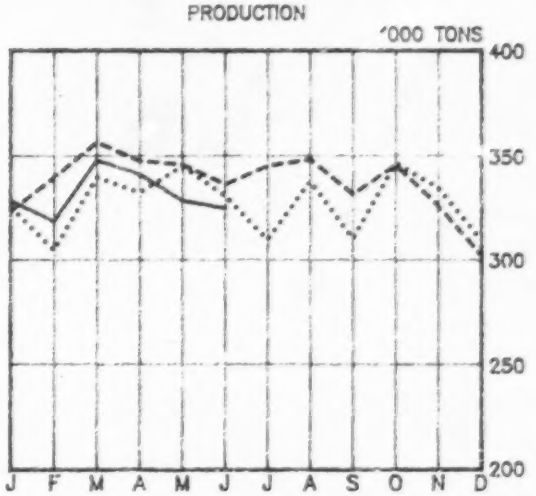
SEMICHEMICAL PAPERBOARD

PRODUCTION



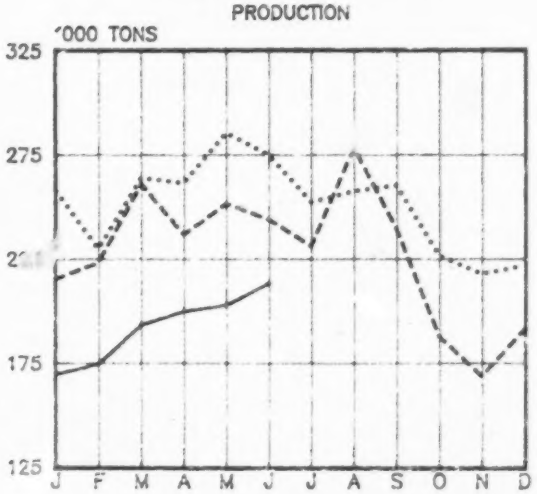
SOLID BLEACHED PAPERBOARD

PRODUCTION



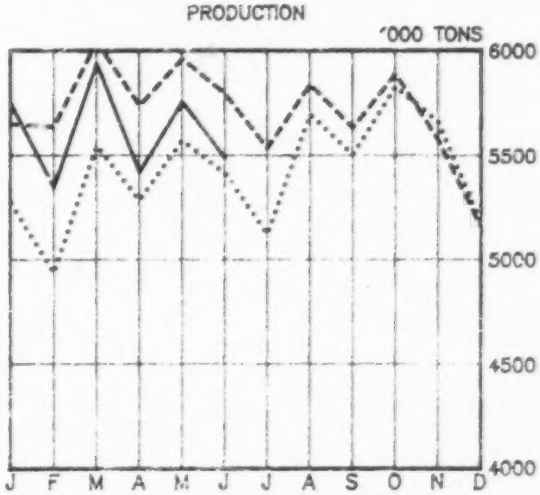
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1983 ····· 1984 - - - - 1985 ———

I M P O R T S

	YEAR 1984 Tons	YEAR 1984 $000	APR 1985 Tons	APR 1985 $000	MAY 1985 Tons	MAY 1985 $000	(1) Annual Rate Y-T-D 1985	% Change from Same Period Last Year
Pulpwood Roundwood (cords)	207733	10615	2056	170	9152	126	63478	-61.2
Pulpwood Chips	2062545	45396	60306	1874	76789	2417	946488	-64.7
Total All Imports	15739471	7204351	1330241	603789	1383841	609226	16372112	4.0
Wood Pulp Total	4490081	1844768	334980	117076	380074	128639	4483358	2.5
Waste Paper	109712	11692	6827	827	6583	753	82134	-23.3
Other Fibrous Materials	64367	24097	9860	3260	9784	2939	104980	49.6
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11075312	5323794	978574	482627	987400	476895	11701440	11.8
	10854312	4781475	959537	434636	966253	431739	11458930	11.7
Paper Ppbd & Prds ex Cnst&WMB	10575656	5207697	940156	473442	945064	466398	11264034	12.4
Paper & Paperboard Only	10354656	4665378	921119	425451	923917	421242	11021524	12.3
Paper Total	10112041	4591486	906527	420740	909105	416560	10839740	13.5
Newsprint	7893877	3299570	742662	320403	719738	310848	8591659	15.4
Printing & Writing	2042368	1168989	145958	88622	173265	94610	2036859	5.9
Uncoated Groundwood	1090049	548791	78692	42499	98806	48085	1097351	9.3
Coated Print.& Impreg. Pap.	428274	295844	40672	29973	37550	27196	583940	84.8
Uncoated Free Sheet	476950	284057	24049	13902	34209	17227	328180	-40.6
Uncoated Book	254926	156296	11441	6830	23218	11274	176401	-37.7
Writing and Similar Paper	222024	127761	12607	7072	10992	5953	151779	-43.6
Thin (except Cigarette)	46427	39513	2463	2170	2605	1998	26426	-47.9
Bristols	667	784	83	78	94	104	963	58.6
Total Pkg & Other Paper	145484	102565	13665	8930	12670	8858	160143	-1.7
Unbleached Kraft Paper	42854	19568	4420	1861	3605	1471	47175	-7.9
Other Pkg. & Indust. Paper	102629	82997	9246	7109	9066	7387	112968	1.2
Tissue	30312	20362	4242	2746	3431	2244	51079	174.5
Paperboard, Total	242615	73892	14591	4711	14812	4683	181784	-31.1
Test or Containerboard	70028	22218	4678	1555	4037	1306	52546	-32.2
Semi-Chemical Corrugating	103968	26098	4058	881	6798	1714	60899	-48.5
Other Paperboard	68620	25576	5855	2275	3977	1663	68339	0.4
Convtd Paper&Paperbd Products	221000	542319	19037	47990	21147	45156	242510	17.8
Paper Products, Total	186199	474151	16899	42965	19493	41687	218330	23.6
Paperboard Products, Total	34800	68168	2138	5026	1654	3468	24180	-17.3
Wet machine Board	2826	2017	229	198	345	227	3177	-6.4
Construction Paper & Board	496830	114080	38189	8987	41991	10269	434228	-1.7
Notes								
Other: No Weight Avail. ($000)		195737		16432		19240	204221	11.4
Total Imports Incl. Other($000)		7400088		620220		628466	7604614	10.5

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	95441	5714	5694	356	6410	386	39298	-30.4
Pulpwood Chips	2325213	164058	221022	16145	151063	11583	2235691	-0.9
Total All Exports	11300450	4524778	978986	357603	831484	317076	11038322	-2.1
Wood Pulp,Total	3593585	1501948	327837	116770	308724	109798	3740518	1.5
Cotton Pulp and Other Pulp	84883	63545	7763	5062	5094	4724	86453	-4.5
Waste and Old Paper	3235441	408128	287371	31925	215027	22220	3228058	6.1
Paper, Board & Products,Total	4386541	2551157	356015	203846	302639	180334	3983294	-10.7
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	3818804	1789129	309801	140446	260526	121225	3455104	-10.3
Paper, Ppbd & Prod ex Cnst&WMB	4308873	2507184	350952	201039	296550	177010	3913468	-10.5
Paper & Paperboard, Only	3741136	1745156	304738	137638	254438	117901	3385278	-10.1
Paper, Total	810547	632490	68765	51694	60136	45264	822437	-4.1
Newsprint	306198	133964	30865	12044	22252	9087	328409	1.4
Printing & Writing	203156	219922	19308	18900	16760	16715	218336	0.5
Uncoated Groundwood	30405	28875	3709	3344	2367	2155	37986	23.0
Clay Coated Paper	85714	71365	7390	6132	6530	5416	83724	-12.9
Uncoated Free Sheet	65410	87255	6805	7645	5414	6699	76016	10.9
Other Printing & Writing	21627	32427	1405	1780	2449	2445	20611	-5.2
Total Pkg. & Other Paper	284185	259323	17332	19058	20187	17812	251464	-15.9
Unbleached Kraft	106712	44382	3941	2001	5844	2454	68389	-38.2
Other Pkg. & Indust. Paper	177473	214941	13391	17057	14343	15358	183074	-2.7
Tissue	17009	19281	1260	1692	937	1649	24228	38.1
Paperboard, Total	2930588	1112666	235973	85944	194302	72637	2562841	-11.8
Solid Wood Pulp	2761732	1040239	217868	79231	171373	64181	2337002	-15.1
Total Linerboard	2058034	628531	148576	43742	112692	30631	1637669	-18.0
Bleached Kraft Linerboard	141367	57788	6583	2239	6647	1834	115208	-10.7
Unbleached Kraft Linerbd	1916667	570743	141993	38504	106045	28797	1522461	-18.5
Other Unbleached Kraft	110878	51270	10954	4218	7860	3233	90211	-30.5
Other Bleached Kraft	543209	348218	51741	32507	46657	29178	549216	-5.1
Semi-Chemical Corrugating	49612	12220	6598	1764	4163	1138	59906	28.6
Recycled Paperboard	168856	72427	18105	6714	22923	8457	225839	46.7
Convtd Paper&Paperbd Products	567737	762028	46214	63401	42113	59109	528190	-13.0
Paper Products, Total	286403	516149	22262	43170	20868	41757	256293	-19.9
Paperboard Products, Total	281334	245879	23952	20230	21244	17352	271897	-5.2
Wet Machine Board	13782	7335	1370	714	1461	763	13659	-9.2
Construction Paper & Board E	63887	36638	3693	2094	4628	2561	56166	-21.2
Notes								
Other: No Weight Avail. ($000)		8843		623		579	6812	-8.1
Total Exports Incl. Other($000)		4533621		358227		317655	4169382	-7.5

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1983	1984	MAR.	APR.	MAY	JUNE	Annual Rate Y-T-D 1985	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	271.4	292.9	295.4	294.3	293.3	292.9	295.2	2.4
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	273.3	293.8	297.5	296.7	295.8	295.5	297.4	2.9
Total Wood Pulp	347.1	395.0	353.9	347.9	342.4	346.1	357.0	-7.6
Total Paper	282.3	303.4	303.7	303.6	304.6	304.7	304.7	2.0
Total Paper, exc. Newsprint	277.0	301.2	298.4	297.9	300.1	300.1	299.9	0.4
Newsprint	303.0	324.1	332.4	332.6	332.9	333.7	333.5	6.4
Total Paperboard	250.8	280.6	285.7	284.0	282.1	276.1	284.1	4.2
Total Paper and Paperboard *	272.4	296.1	298.1	297.5	297.5	295.8	298.3	2.6
Converted Products	265.4	280.7	290.4	290.0	288.8	289.0	289.7	4.8
Waste Paper	158.6	240.1	170.2	154.4	144.0	141.6	165.6	-31.9
All Commodities	303.1	310.4	308.7	309.3	309.9	309.5	309.4	-0.3
Industrial Commodities	315.7	322.6	322.6	323.8	325.3	325.2	323.8	0.6

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API 18-Jul-85

PAPER AND ALLIED PRODUCTS COMPANIES

SALES AND EARNINGS

	Sales			Net Profit After Taxes[1/]			Net Profit After Taxes As Percent of Sales	
	1985	1984	Change 85/84	1985	1984	Change 85/84	1985	1984
	(Million Dollars)		%	(Million Dollars)		%	%	%
32 Paper and Allied Products Companies								
First Quarter	11,094	10,843	+2.3	498.4	496.5	+ 0.4	4.5	4.6
Second Quarter	11,568	11,618	-0.4	562.9	678.0	-17.0	4.9	5.8
First Half	22,663	22,461	+0.9	1,061.2	1,174.6	- 9.7	4.7	5.2
4 Forest Products Companies								
First Quarter	3,210	3,155	+1.7	91.8	115.5	-20.5	2.9	3.7
Second Quarter	3,624	3,544	+2.3	133.4	198.0	-32.6	3.7	5.6
First Half	6,834	6,699	+2.0	225.3	313.5	-28.1	3.3	4.7

1/ As Published

NOTE: Detail does not always check because of rounding.

Continued from Page 2

Some of the strength in the domestic shipments uncoated free sheet papers reflected a shift to domestic sources of supply. Imports of these papers in the first five months of 1985 were 41% below the comparable year-ago level and accounted for 3.3% of the total new supply, compared to nearly 6% for all of 1984.

Shipments of these papers to their various markets in the first half of 1985 showed divergent trends. Shipments for office copy papers, business forms converters and commercial printing showed gains, while shipments to book publishers and envelope and other converters declined.

Packaging and Other Papers: Production of these grades of paper declined by 9.5% over-all, with unbleached kraft papers down 9.6% and other paper production down 9.2%. The declines in shipments of unbleached kraft papers were spread throughout the market structure, with grocers bag and sack papers and multiwall bag papers showing less than average declines while the converting and wrapping grades, and other bag and sack papers showed above-average declines.

Paperboard: Within the paperboard sector declines ranged from 6% in the production of unbleached kraft linerboard to 3% in solid bleached paperboard output (see table on page 3 and yellow industry Fact Sheet). The over-all decline in production, as noted above, was 4.6%.

Much of the decline was centered on production for export, with total production for export down 19% from the year-ago level, the result of a 24% decline in unbleached kraft linerboard exports and a 6% decline in exports of solid bleached paperboard.

Containerboard: Production of containerboard for domestic use --used largely in corrugated shipping containers-- declined by 3.6%, compared to a 2.8% decline in shipments of corrugated shipping containers in this same period. Inventories of containerboard at paperboard mills declined in June, but were still considerably above their year-ago level. Total inventories of containerboard at mills and fibre box plants also declined during June to a level equivalent to 7.5 weeks of supply, compared to 8.1 weeks at the end of the first quarter of 1985 and 7.1 weeks at the end of June 1984.

The relative stability in the shipments of fibre boxes in the first half of 1985 reflected in the trend of industrial production. In the first six months of 1985 total industrial

Continued on Page 12

Continued from Page 11

production averaged 124.1 (1977=100), with the monthly rates well within one per cent of that average. The important non-durable consumer goods index averaged 122.4 (1977=100), with the trend tilted slightly upward: the June level was 2.3% above the January level. The first half 1985 average was 1.8% ahead of the total 1984 index.

Boxboard: Production of boxboard for domestic use showed a somewhat stronger pattern than did containerboard. The first half 1985 production rate was 1.5% below its year-ago level and 0.3% below the average rate for all of 1984.

Among the major boxboard grades, production of folding boxboard for domestic use was 1.2% below its year-ago rate in the first half of 1985, with the solid bleached grades down 3.1% and the recycled grades up 0.3%. The milk carton and food service grades showed a more erratic pattern, with production of milk carton stock for domestic use down 6% and production of cup stock up 5%.

FIBROUS RAW MATERIALS

Production of chemical paper grade market pulp in the first half of 1985 was 1.6% above its year-ago level while shipments were 1.4% higher. The increase in shipments reflected a 40% gain in shipments to countries other than Western Europe and Japan, largely offset by declines in domestic shipments and in shipments to Western Europe and Japan.

Inventories of chemical paper grade market pulp in the United States declined in June, continuing the trend evident during the earlier months of the second quarter. As of the end of June inventories were 24% below the February 1985 peak and equivalent to about 32 days of supply, compared to 48 days of supply at the end of February. Inventories of market pulp at paper and paperboard mills have also been declining; as of the end of May 1985 the level was 29% below its year-ago level.

SALES AND EARNINGS

Data published in the press on sales and earnings of 32 paper and allied products companies for the first two quarters of 1985 point to a small gain in the sales volume and significant decline in net income after taxes. The first half 1985 sales total was 0.9% over its year earlier level, while net income after taxes fell by nearly 10%. In the first quarter of 1985 sales were up by 2.3%, profits were up 0.4%; in second quarter of the year sales volume were slightly below those of a year-ago, while net income after taxes fell by 17%.

The lower table on page 10 summarizes the sales and earnings data for these 32 companies for the first and second quarters of 1985, together with comparable data for 1984. The table shows similar data for four wood products companies.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

July 30, 1985

PRODUCTION (000 TONS)

	June 85	May 85	June 84	Jan. - June 85	Jan. - June 84	% Change 85/84
PAPER GRADES	P	R				
Newsprint	449	461	468	2741	2803	-2.2
Printing & Writing	1486	1548	1548	9305	9346	-0.4
Uncoated Groundwood (s)	124	116	131	736	801	-8.1
Coated Paper (s)	468	496	528	3081	3145	-2.0
Uncoated Free Sheet Paper (s)	782	823	770	4813	4694	2.5
Thin Paper (s)	25	24	25	144	144	0.0
Cotton Fiber Paper (s)	12	13	12	72	76	-5.0
Bleached Bristols (s)	75	77	81	459	486	-5.5
Tissue Paper	418	419	400	2467	2429	1.6
Total Pkg & Other Paper	418	444	455	2612	2885	-9.5
Unbleached Kraft Packaging & Indl. Converting (s)	267	290	300	1705	1887	-9.6
Other Paper *	151	154	155	907	999	-9.2
TOTAL PAPER	2771	2872	2871	17126	17463	-1.9
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1326	1418	1495	8225	8722	-5.7
Unbleached Kraft Linerboard	1211	1316	1388	7637	8124	-6.0
Other Unbl. Kraft Paperboard	115	102	107	587	598	-1.7
Semichemical Paperboard	419	431	443	2509	2601	-3.5
Bleached Paperboard	325	328	336	1988	2049	-3.0
Recycled Paperboard	646	708	652	3849	3995	-3.7
TOTAL PAPERBOARD	2716	2886	2926	16570	17367	-4.6
TOTAL PAPER AND PAPERBOARD	5487	5757	5797	33696	34831	-3.3

WOOD PULP (ALL GRADES)	May 85	Apr. 85	May 84	Jan. - May 85	Jan. - May. 84	% Change 85/84
Dissolving & Special Alpha	112	104	109	539	535	0.7
Bleached Sulfite	131	123	117	599	583	2.7
Unbleached Sulfite	16	17	26	96	121	-21.3
Bleached & Semi-Bl. Sulfate	1805	1833	1867	9382	9305	0.8
Unbleached Sulfate	1674	1533	1812	8171	8735	-6.5
Semichemical	352	333	351	1696	1734	-2.2
Groundwood & Thermomechanical	443	448	473	2246	2318	-3.1
TOTAL PULP DIVISION DATA	4532	4391	4756	22727	23331	-2.6

(s) - Shipments R - Revised
P - Preliminary

July 31, 1985

	Full Year		INDUSTRY DATA 1985			Ann. Rate Year - To - Date	% From Same Pd. Last Year
			R	R	P		
PAPER AND PAPERBOARD -- Tons (000)	1983	1984	April	May	June	1985	
Total Production (API).....: excluding :...	65000	68457	5420	5757	5487	67342	-3.3
Total Seasonally Adjusted....:construction:...			5336	5524	5518	66637	-2.6
Imports (including Products).: and wet :..E	8509	10576	940	945	887	11162	8.9
Exports (including Products).: machine :..E	4501	4309	351	297	369	4000	-10.7
Apparent Consumption.....: grades :...	69008 a	74724 b	5925	6172	5036	73798 c	-0.5
Paper Production % Tonnage Capacity.....	92.0 g	93.4 g	93.2	90.3	89.4	91.6 gh	-
Paperboard Production % Tonnage Capacity.....	90.8 g	94.3 g	86.0	89.4	90.0	91.5 g	-
			March	April	May		
IMPORTS.....:Including Construction and :...	8985	11075	1087	979	987	11701	11.8
EXPORTS.....: WMB Grades (excl. HPB) :...	4568	4387	361	356	303	3982	-10.7
MARKET WOOD PULP PRODUCTION - Tons (000).....	6478	6891	610	563	539	6910	1.2
TOTAL WOOD PULP PRODUCTION - Tons (000)...(f)...	52537	55548	4841	4391	4532	54546	-2.6
WOOD PULP IMPORTS - TONS (000).....	4093	4490	460	335	380	4483	2.5
WOOD PULP EXPORTS - TONS (000).....	3644	3594	399	328	317	3759	2.0
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			March	April	May		
Wood Pulp.....:consumption for:.....	51434	54664	4778	4339	4491	53606	-2.9
Waste Paper.....:construction & :.....	14696	16015	1360	1245	1208	15232	-6.7
TOTAL.....: WMB grades :.....	66130	70679	6138	5584	5699	68838	-3.8
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	83608	87646	7651	7148	7072	87036	-1.8
EMPLOYMENT (000)			April	May	June		
Paper and Allied Products.....Total.....	661.6	682.3	678.3	680.5	690.0	680.9	0.3
Pulp, Paper and Board Mills.....Total.....E	258.2	263.9	257.5	257.6	259.9	259.8	-1.2
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products.....	9.94	10.44	10.72	10.75	10.77	10.71	4.0
Pulp, Paper Mills.....E	11.70	12.45	12.85	12.94	13.05	12.88	5.6
Paperboard Mills.....E	12.11	12.99	13.46	13.59	13.46	13.38	5.2
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1984 Q3	1984 Q4	1985 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	5.92	7.15	7.33	7.99	7.58	7.83y	9.5
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			April	May	June		
:IN PULP, PAPER :...Production Workers.....	118.0	120.0	113.5	120.2	114.1	117.2	-1.0
:AND BOARD MILLS:...All Employees.....	116.9	118.8	112.1	119.0	113.0	115.7	-2.0
PAPER AND ALLIED PRODUCTS (Million $)			March	April	May		
Industry Shipments (Dept. of Commerce)*.....	85662	95990	8047	8029	8190	97238	3.5
Pulp, Paper and Paperboard*.....	36346	41539	3504	3534	3436	41988	2.5
Inventories (End of Period) - Total Industry*..	8729	9701	9942	9782	9690	9690	5.3
Pulp, Paper and Paperboard*.....	3263	3662	3814	3742	3723	3723	10.0
			1984 Q3	1984 Q4	1985 Q1		
Sales (Corporations Only).....	65008	71891	18096	17642	17797	71188	1.9
Earnings (Corporations Only).....	2327	3015	951	493	718	2872	14.1
Depreciation (Corporations Only).....	2607	2798	706	700	765	3060	10.4
Net Worth (Corporations Only).....	27219	28160	28806	28160	29241	29241	5.9
PRICE INDEXES (Bureau of Labor Stats)1967=100			April	May	June		
Pulp, Paper & Products, ex. Building Grades....	271.4	292.9	294.3	293.3	292.9	295.2	2.4
Wood Pulp.....	347.1	395.0	347.9	342.4	346.1	357.0	-7.6
Waste Paper.....	N.A.	240.1	154.4	144.0	141.6	165.6	-31.9
Paper.....	282.3	303.2	303.6	304.6	304.7	304.7	2.0
Paperboard.....	250.8	280.6	284.0	282.1	276.2	284.1	4.2
PAPER DEMAND (INDEXED: 1967=100)			April	May	June		
Total Paper Production *.....	157.0	164.3	159.3	159.8	162.4	162.6	-1.2
Paper New Supply *.....	147.2	160.0	159.0	160.2	159.3	161.2	1.4
Total End - Use Index *.....	157.8	172.5	178.7	181.4	181.3	178.1	4.9
Production of Nondurable Goods *.#.(19%)...	168.0	179.4	179.6	180.5	181.1	179.5	0.6
Disposable Income (Constant $) *...(23%)...	163.4	174.6	180.1	182.8	178.9	178.5	3.4
Total Printing and Publishing *.#.(58%)...	152.3	169.4	177.9	181.2	182.3	177.6	6.9
Trend Factor			Not Available				
PAPERBOARD DEMAND (INDEXED: 1967=100)							
Total Paperboard Production *.....	141.2	148.9	134.5	143.9	141.3	142.9	-3.9
Production for Domestic Use	135.5	145.4	134.2	149.5	139.4	143.2	-3.3
Total End - Use Index *.....	148.9	161.6	163.3	163.6	163.7	163.1	1.6
Production of Consumer Goods *.#.(60.49%)	151.8	161.6	163.2	164.1	164.4	163.2	1.4
Production of Equipment *.#.(6.62%)	140.8	164.0	174.2	174.9	175.7	173.8	9.8
Production of Materials *.#.(32.89%)	145.2	161.1	161.2	160.3	159.9	160.9	0.2
Trend Factor			Not Available				
NEWSPRINT MARKETS			March	April	May		
Consumption by Publishers - Tons (000).....	11671	12612	1107	1048	1096	12403	1.1
Newspaper Pub. and Printing Empl. Total(000)...	421.6	443.0	449.7	449.6	451.6	449.6	2.8
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (LNA, Inc.).....	10135	11761	13418	14186	13306	148851	-1.9
WHOLESALERS SALES AND INVENTORIES (Million $)(j)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	22776	26532	2882	2900	2862	33811	11.0
Inventories (End of Period).	1885	2341	2874	2984	2914	2914	14.6
FIBRE BOX DATA (Fibre Box Association)			April	May	June		
Fibre Box Shipments (Million square feet).....	252539	267549	22631	22350	21245	262440	-2.8
Container'bd Inventory at Mill & Plant(000Tons).	2437	2882	2987	2945	2826	2826	6.3
RETAIL TRADE (Million $)			March	April	May		
Total Retail Sales *.....	1171915	1291835	111854	114584	113678	1126368	5.9
Nondurable Goods Stores Sales *.....	793398	841417	71089	72018	72040	713040	2.7
GENERAL ECONOMIC DATA			April	May	June		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1967 = 100)*.#	147.6	163.3	166.1	166.2	166.5	165.8	2.7
PRODUCER PRICES(ALL COMMODITIES)(INDX 1967=100)..	303.1	310.4	309.3	309.9	309.5	309.4	-0.3
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	298.4	311.1	320.1	321.3	322.3	319.3	3.7
			March	April	May		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	387.9	461.0	471.6	479.9	488.7	488.7	20.6
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1984 Q3	1984 Q4	1985 Q1		
G.N.P. or Expenditure - Current $.....	3304.8	3662.8	3694.6	3758.7	3810.6	3810.6	7.2
G.N.P. or Expenditure - 1972 $.....	1534.7	1639.3	1645.2	1662.4	1663.5	1663.5	3.3

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 589 + 18 = 607 234.2
.b - 631 + 18 = 649 234.9
.c - 627 + 18 = 645 234.9
.E - Last month estimated by API
.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - Adjusted to conform with API Division data
j - Census unpublished data; standard dev. = 6-8%
N.A. - Not Available
P - Preliminary
Q - Quarter

R - Revised
RS - Revised Series
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted
# June data estimated from published F.R.B. reports.